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NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.6

PAID UP OIL AND GAS LEASE (No Surface Use)

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万十り	day of Tawuary	୬୯୦ ^{ପ୍} . ୬୭୦୫ , by and between
DONG BUNKSON A SINGLE PER	50N	, 2000, by and outries.
whose address is IC28 FOST POWELLQ and DALE PROPERTY SERVICES, L.L.C., 2100 Ross Ave	VENUE FOR 1 WOR TO nue. Suite 1870 Dallas Toxas 75201, as Le	as Lessor ssee. All printed portions of this lease were prepared by the party pared jointly by Lessor and Lessee. Preby grants, leases and lets exclusively to Lessee the following
ACRES OF LAND, MORE OR LESS OUT OF THE BOLMON I FOR FWD THE IN VOLUME 309 , PAGE	. TARRANT COUNTY, TEXAS, AC	, BLOCK <u>13</u> ADDITION, AN ADDITION TO THE CITY OF CORDING TO THAT CERTAIN PLAT RECORDED ECORDS OF TARRANT COUNTY, TEXAS.
substances produced in association therewith (including g commercial gases, as well as hydrocarbon gases. In additi- land now or hereafter owned by Lessor which are contiquous	oloring for, developing, producing and markeli jeophysical/seismic operallons). The term "(on to the above-described leased premises, is or adjacent to the above-described leased p or supplemental instruments for a more comple	luding any interests therein which Lessor may hereafter acquire by ing oil and gas, along with all hydrocarbon and non hydrocarbon gas" as used herein includes helium, carbon dloxide and othe its lease also covers accretions and any small strips or parcels of premises, and, in consideration of the aforementioned cash bonus ate or accurate description of the land so covered. For the purpose all be deemed correct, whether actually more or less.
otherwise maintained in effect pursuant to the provisions here 3. Royalties on oil, gas and other substances produce separated at Lessee's separator facilities, the royalty shall be Lessor at the wellhead or to Lessor's credit at the oil purchal the wellhead market price then prevailing in the same field prevailing price) for production of similar grade and grav. **TEXANU - FIVE PETER*** (25 %) of it production, severance, or other excise taxes and the costs it Lessee shall have the continuing right to purchase such production, severance, or other excise taxes and the costs it Lessee shall have the continuing right to purchase such production, severance, or other excise taxes and the costs it Lessee shall have the continuing right to purchase such production price then prevailing in the same field, then in the notate waster or nearest preceding date as the date on which be more wells on the leased premises or lands pooled therewith are waiting on hydraulic fracture allmuiation, but such well or be deemed to be producing in paying quantities for the purp there from is not being sold by Lessee, then Lessee shall purpose to be deemed to be producing paying quantities for the purp there from is not being sold by Lessee, then Lessee shall or letter from the less of a deposition of such operations or production. Lesse terminate this lease. 4. All shut-in royalty payments under this lease shall draft and such payments or tenders to Lessor or to the depositor of such payments regarded draft and such payments or tenders to Lessor or to the depositor and such payments or lenders to Lessor or to the depositor of the provisions of Paragraph 3, above, if Lepremises or lands pooled therewith, or if all production (who pursuant to the provisions of Paragraph 8 or the action on the leased premises or lands pooled therewith within 90 of the end of the primary term, or at any time thereafter, this operations reasonably calculated to obtain or restore product no cessation of more than 90 consecutive days, and if any there is pr	hereby are produced in paying quantities from soft and saved hereunder shall be paid by Less are and saved hereunder shall be paid by Less are at any portation facilities, provided that Less (or if there is no such price then prevailing in ally; (b) for gas (including casing head gas) the proceeds realized by Lesses from the such a prevailing wellhead market price earest field in which there is such a prevailing seec commences its purchases hereunder; an are capable of either producing oil or gas or of wells are either shut-in or production there from ose of maintaining this lease. If for a period case shut-in royalty of one dollar per acre then fore the end of said 90-day period and thereaf not being sold by Lesse; provided that if this ased premises or lands pooled therewith, no see failure to properly pay shut-in royalty shall be paid or tendered to Lessor or to Lessor's concepts fallowed to properly pay shut-in royalty shall be paid or tendered to Lessor or to Lessor's concepts for the depository should liquidate or be succeed to Lesses a proper recordable instrument nare seed drills a well which is incapable of producinellether or not in paying quantities) permanently for any governmental authority, then in the event of the propertions on such dry lease is not otherwise being maintained in for alori therefrom, this lease shall remain in force of such operations result in the production of oil niless or lands pooled therewith. After complete sor lands pooled therewith as a reasonably prepagable of producing in paying quantities on the	the leased premises or from lands pooled therewith or this lease is see to Lessor as follows: (a) For oil and other liquid hydrocarbon (5) %) of such production, to be delivered at Leasee's option to use shall have the continuing right to purchase such production at the same field, then in the nearest field in which there is such a and all other substances covered hereby, the royalty shall be thereof, less a proportionate part of ad valorem taxes and otherwise marketing such gas or other substances, provided the paid for production of similar quality in the same field (or if there is price) pursuant to comparable purchase contracts entered into oid (c) if at the end of the primary term or any time thereafter one of other substances covered hereby in paying quantities or such well on the substances covered hereby in paying quantities or such well in so to being sold by Lessee, such well or wells are shut-in or production covered by this lease, such payment to be made to Lessor or to ter on or before each anniversary of the end of said 90-day period covered by this lease, such payment to be made to Lessor or to ter on or before each anniversary of the end of said 90-day period new render Lessee liable for the amount due, but shall not operate to each therwise being maintained by operations, or if production shut-in royalty shall be due until the end of the 90-day period new render Lessee liable for the amount due, but shall not operate to death in at lessor's address above or its successors, which shall payments or tenders may be made in currency, or by check or by deep endorman and the institution, or for any reason fail or refuse to accepting another institution as depository agent to receive payments. If payments or tenders may be made in currency, or by check or by deep endorman and the institution as depository agent to receive payments. In additional well or for otherwise obtaining or restoring production, to be the production of a well capable of producing in paying quantities hereunder uden long as any f
(a) develop the leased premises as to formations then caleased premises from uncompensated drainage by any well additional wells except as expressly provided herein.	apable of producing in paying quantities on the or wells located on other lands not pooled then	e leased premises or lands pooled therewith, or (b) to protect rewith. There shall be no covenant to drill exploratory wells or interest therein with any other lands or interests, as to any other lands or interests, as to any other lands.

additional wells except as expressly provided herein.

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, provided that a larger unit may be formed for an oil well or a gas well or horizontal completion to conform to any well specify or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the loregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of loss than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir oxceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations enzywhere on a unit

- 7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

 If the interest of title is the such part of title in the such part of t
- 8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or lender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferree to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to
- pay or tender shut-in royallies hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

 9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or lender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.
- 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Leasee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, easonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pils, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or thransport production. Lessee may use in such operations, free of cost, any oit, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithistanding any partial release or other partial termination of this leases, and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bary its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

 11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling, and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are revented or delayed by such laws, rules, regulations and other substances covered hereby. When drilling, reworking, water, electricity,

- there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

 14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

 15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee has been furnished satisfactory evidence that such claim has been resolved.

 16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations.
- 17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original. 17. This lease may be executed in counterparts, each or which is deemed an original and all of which only constitute one original.

 DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to after the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor. LESSOR (WHETHER ONE OR MORE) By: ACKNOWLEDGMENT STATE OF TEXAS 3009acknowledged before me on the day of WINLIAM KISHA G. PACKER POLK Public, State of Texas My Commission Expires Notary Public, State of 16 April 15, 2012 Notary's name (printed): STATE OF COUNTY OF This instrument was acknowledged before me on the day of 2008.



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

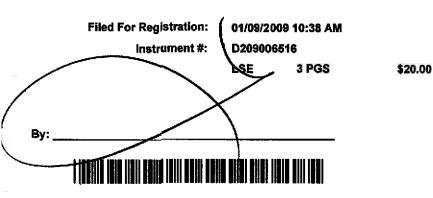
DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



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ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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